

**DEPARTMENT OF STATE REVENUE**  
**LETTER OF FINDINGS NUMBER: 98-0466P**  
**Use Tax**  
**Calendar Years 1994, 1995, 1996**

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**ISSUE**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2  
Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on May 1, 1998. Taxpayer is an Indiana Corporation that was audited previously on November 1, 1991.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer requests a waiver of penalty because it believes it acted in good faith in reporting and paying all of the sales tax due the state of Indiana and there was no attempt to evade any taxes. It has already self assessed similar taxes due for the post audit period. Because of its excellent record of compliance with Indiana sales and use tax laws and regulations, taxpayer respectfully requests that the department grant a waiver of all penalties assessed on the audit.

Taxpayer failed to collect sales tax on vending machine sales, the issue, which is clear in 45 IAC 2.2.5-40 and 45 IAC 2.2.5-43. Taxpayer also failed to collect sales tax from theater rental for less than thirty (30) days, the issue, which is clear under 45 IAC 2.2-4-8.

Taxpayer has not provided reasons for failure to remit the tax.

**FINDING**

Taxpayer's protest is denied.